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MATHEDYN RESEARCH CERTIFICATE OF LIMITED PARTNERSHIP
AND LIMITED PARTNERSHIP AGREEMENT 28

This Agreement, made and entered into on December 14, 1982, by and between Ande Vail (hereinafter referred to as the "General Partner") and James Kranz (hereinafter referred to as the "Limited Partner"), whose names are set forth on the signatory page hereof (both of whom together are hereinafter collectively sometimes referred to as "Partners").

WITNESSETH:

Whereas, the Parties hereto desire to form a Limited Partnership (hereinafter referred to as the "Partnership"), under the laws of the State of Idaho for the term and upon the conditions hereinafter set forth;

Now, therefore, in consideration of the mutual covenants hereinafter contained, it is agreed by and among the Parties hereto as follows:

Article I

1.1 Form

The Parties hereby form a Limited Partnership pursuant to the Laws of the State of Idaho. The General Partner shall manage the business of the Partnership and the Limited Partners shall not participate in the management of the Partnership business.

1.2 Name

The business of the Partnership shall be conducted under the name of Mathedyn Research Limited Partnership.

1.3 Partners

The Partners and their principal residence addresses shall be:

<u>Names</u>	<u>Addresses</u>
General Partner, Ande Vail	3701 Unit C, Overland Road Boise, Idaho
Limited Partner, James Kranz	6065 Corporal Street Boise, Idaho

1.4 Place of Business

The principal office and place of business of the Partnership shall be located at 6065 Corporal Street, Boise, Idaho 83704, or such other place as the General Partner may from time to time designate.

1.5 Agent for Service of Process

The registered agent for service of process required to be maintained by Section 53-204, Idaho Code, is Mr. Ande Vail of 6065 Corporal Street, Boise, Idaho 83704.

1.6 Term

The Partnership shall commence on 16 December 1982, and shall continue until 12 October 1998, unless earlier terminated in the following manner:

- (a) By the completion of the purpose intended, or
- (b) Pursuant to this Agreement, or
- (c) By applicable Idaho law, or
- (d) By death, insanity, bankruptcy, retirement, withdrawal, resignation, expulsion, or disability of the then General Partner.

1.7 Purpose-Research

The purpose for which the Partnership is organized is to conduct under its employment (or through independent contracts or Joint Ventures) research, design and development of the following: a portable electric space heater designated the "Heater Cheater" by the application of a patent to be contributed to the Partnership and to develop further patents to accomplish the development of an energy efficient electric heater utilizing patented devices; and to experiment, test and test market the products, services and processes resulting from such research and development and to investigate, consult report, and render advice as to the development of similar products and the techniques and methods of their manufacture and sale and to sell such technology or produce and sell heaters developed by such technology.

Article II

FINANCIAL ARRANGEMENTS

2.1 Initial Contributions of Partners

(a) Each Partner has contributed to the initial capital of the Partnership property in the amount and form indicated on Schedule A attached hereto and made a part hereof. Capital contributions to the Partnership shall not bear interest. An individual capital account shall be maintained for each Partner.

(b) The initial equity capital contributions by the partners shall be made in cash or in the form of property valued for this purpose at its agreed market value upon their admission to the Partnership.

2.2 Additional Capital Contribution

If at any time during the existence of the Partnership it shall become necessary to increase the capital with which the said Partnership is doing business, then, (upon the vote of the Partner(s)); Each party to this Agreement shall contribute to the capital of the Partnership within 30 days notice of such need in an amount according to his then Percentage Share of Capital as called for by the Partner(s).

2.3 Percentage Share of Profits and Capital

(a) The Percentage Share of Profits and Capital of each Partner shall be (unless otherwise modified by the terms of this Agreement) as follows:

<u>Names</u>	<u>Initial Percentage Share of Profits and Capital</u>
Ande Vail	60%
James Kranz	40%

(b) Provided, however, that in recognition of the Limited Partner's bearing of the economic burden by contribution of cash to the partnership, all items of deduction and expense attributable to research and development expense, depreciation, amortization, or similar write-off of capital assets--including the abandonment and obsolescence of such assets and any loss attributable to their sale or other disposition--and investment or similar credit attributable to the acquisition and holding of capital assets shall be allocated to the Limited Partner in proportion to the Limited Partner's capital contribution expended for such items. The limited partner shall be entitled to receive all of the profit from the partnership business until such time as the amount of those items specially allocated as provided in the preceding sentence have been recovered.

2.4 Interest

No interest shall be paid on any contribution to the capital of the Partnership.

2.5 Return of Capital Contributions

No Partner shall have the right to demand the return of his capital contributions except as herein provided.

2.6 Rights of Priority

Except as herein provided, the individual Partners shall have no right to any priority over each other as to the return of capital contributions except as herein provided.

2.7 Distributions

Distributions to the Partners of net operating profits of the Partnership, as hereinafter defined, shall be made at such times as the Partner(s) shall reasonably agree. Such distributions shall be made to the Partners simultaneously.

For the purpose of this Agreement, net operating profit for any accounting period shall mean the gross receipts of the Partnership for such period, less the sum of all cash expenses of operation of the Partnership, and such sums as may be necessary to establish a reserve for operating expenses.

In determining net operating profit, deductions for depreciation, amortization, or other similar charges not requiring actual current expenditures of cash shall not be taken into account in accordance with generally accepted accounting principles.

Article III

MANAGEMENT

3.1 Voting

All General Partner(s) shall have the right to vote as to the management and conduct of the business of the Partnership according to their then Percentage Share of Income. Except as otherwise herein set forth a majority of such Income shall control.

3.2 Duties, Powers and Salary of Partners

(a) The General Partner shall devote his full time and best efforts to the conduct of the Partnership's business.

(b) The General Partner shall receive a salary of Two Thousand (\$2,000.00) Dollars per month for each month of service as provided in paragraph (a).

(c) The Limited Partner shall not take part in the management of the business or transact any business for the Partnership, and shall have no power to sign for or to bind the Partnership. No salary shall be paid to any Limited Partner.

3.3 Rights, Powers and Restrictions of Payments

No Partner without the consent of all the other Partners shall:

(a) Do any act in contravention of this Agreement

(b) Do any act which would make it impossible to carry on the ordinary business of the Partnership.

(c) Confess judgment against the Partnership.

(d) Possess Partnership property, or assign his interest or rights in specific Partnership property, for other than a Partnership purpose.

3.4 Management

The day to day Managing Partner of the Partnership shall be: Ande Vail.

3.5 Powers

The General Partner(s) shall exercise the powers reasonably necessary in order to pursue the Partnership's purposes.

3.6 Voting by Limited Partner(s)

Notwithstanding any other provision of this Agreement, the Limited Partner(s) shall be entitled to vote on:

(a) After notice from the General Partner, the sale, exchange, lease, mortgage, pledge or other transfer of all or substantially all of the assets of the Limited Partnership.

(b) After notice to the General Partner, the dissolution or winding up of the Limited Partnership.

The vote or votes of a majority in interest of the Limited Partner(s) shall be determinative as to the matter(s) voted upon.

Article IV

RIGHT TO ADMIT PARTNERS

4.1 Right to Admit Partners

There shall be no right to admit additional Partners, except by unanimous consent of all of the Partners.

Article V

POWER OF ATTORNEY

5.1 Power of Attorney

(a) Each Partner hereby irrevocably constitutes and appoints the General Partner his true and lawful attorney, in his name, place and stead, to make, execute, acknowledge and/or file: (a) any certificate of Limited Partnership or other instrument which may be required to be executed or filed by the Partnership or which the General Partner shall deem it advisable to execute or file; (b) any and all amendments or modifications to the instrument described herein; and (c) all documents which may be required to effectuate the dissolution and termination of the Partnership.

(b) Further, each Partner does hereby appoint the General Partner as his true and lawful attorney, in his name, place and stead, to purchase, deal with the property and to manage the same including, without limitation, to sign, deliver or record all deeds, contracts of sale or other instruments conveying title to the property, either in the names of the Partners or in the name of the Partnership and the members thereof, to establish bank accounts for the Partnership and to deposit and withdraw funds therefrom, solely upon his signature, to demand, sue for, levy or recover all sums of money, debts, rents or other demands or claims of any nature whatsoever which are or shall be due the Partnership in such manner as the General Partner shall determine to be advisable.

(c) Each Partner expressly agrees and intends that the foregoing powers of attorney are coupled with an interest.

(d) The foregoing powers of attorney shall survive the delivery of an assignment by any of the Partners of the whole or any portion of his Partnership interest.

(e) From time to time, the General Partner(s) may, at his sole discretion, send notice to the Partners of actions taken. If objection is not received by the General Partner(s) within thirty (30) days of said notice, then objection to said action shall be waived by all of the parties hereto.

Article VI

RIGHT TO ASSIGN PARTNERSHIP INTEREST

6.1 Partner's Right of Assignment of Profits and Losses

Except as herein provided, the Partnership interest shall not be assigned.

6.2 Transfers - Right of First Refusal

The Partners shall not sell, assign, pledge or otherwise transfer or encumber in any manner or by any means whatever, and share in all or any part of the interests of the Partnership now owned or hereafter acquired by them without having first obtained the consent of or offered it to the other Partner(s) and to the Partnership.

Article VII

DISSOLUTION

7.1 Dissolution

In the event that the Partnership shall hereafter be dissolved for any reason whatsoever, a full and general account of its assets, liabilities and transactions shall at once be taken. Such assets may be sold and turned into cash as soon as possible and all debts and other amounts due the Partnership collected. The proceeds thereof shall thereupon be applied as follows:

(a) To discharge the debts and liabilities of the Partnership and the expenses of liquidation.

(b) To pay each Partner or his legal representative any unpaid salary, drawing account, interest or profits to which he shall then be entitled and in addition, to repay to any Partner his capital contributions in excess of his original capital contribution.

(c) To divide the surplus, if any, among the Partners or their representatives as follows:

(1) First (to the extent of each Limited Partner's then capital account) in proportion to their then capital accounts.

(2) Then according to each Partner's then Percentage Share of Income.

7.2 Right to Demand Property

No Partner shall have the right to demand and receive property in kind for his distribution.

Article VIII

MISCELLANEOUS-SUBSTANTIVE PROVISIONS

8.1 Accounting Year, Books, Statements

The Partnership's fiscal year shall commence on January 1st of each year and shall end on December 31st of each year. Full and accurate books of account shall be kept at such place as the General Partner(s) may from time to time designate, showing the condition of the business and finances of the Partnership; and each Partner shall have access to such books of account and shall be entitled to examine them at any time during ordinary business hours. At the end of each year, the General Partner(s) shall cause the Partnership's accountant to prepare a balance sheet setting

forth the financial position of the Partnership as of the end of that year and a statement of operations (income and expenses) for that year. A copy of the balance sheet and statement of operations shall be delivered to each Partner as soon as it is available.

Each Partner shall be deemed to have waived all objections to any transaction or other facts about the operation of the Partnership disclosed in such balance sheet and/or statement of operations unless he shall have notified the General Partner(s) in writing of his objectives within thirty (30) days of the date on which such statement is mailed.

The Partnership books shall be kept on the cash basis and in accordance with generally accepted accounting principles consistent with those employed for determining its income for federal income tax purposes.

8.2 Partnership's Agents

Pursuant to the Partnership's day to day activity the General Partner(s) shall have the power to employ investment counsel, brokers, accountants, attorneys, and any other agents to act in the Partnership's behalf, generally to do any act or thing and execute all instruments necessary, incidental or convenient to the proper administration of the Partnership property; otherwise said employment shall only be made if agreed to by all the Partners.

8.3 Checks

All checks or demands for money and notes of the Partnership shall be signed by the General Partner(s) or such other person or persons as the General Partner(s) may from time to time designate.

8.4 Conflicts of Interest

Partners may engage in or possess interest in other business ventures of every kind and description for their own accounts. Neither the Partnership nor any of the Partners shall have any rights by virtue of this Agreement in such independent business ventures or to the income or profits derived therefrom.

Article IX

MISCELLANEOUS

9.1 Execution in Counterpart

This Partnership Agreement may be executed in any number of counterparts, each of which shall be taken to be an original. Valid execution shall be deemed to have occurred when a Partnership signature page is executed by the Partner in question and countersigned by a General Partner.

9.2 Notice

Any and all notices provided for herein shall be given in writing by registered or certified mail, return receipt requested which shall be addressed to the last address known to the sender or delivered to the recipient in person.

9.3 Modifications

No modification of this Agreement shall be valid unless such modification is in writing and signed by the parties hereto.

9.4 Agreement Binding

This Agreement shall be binding upon the parties hereto and upon their heirs, executors, administrators, successors or assigns, and the parties hereto agree for themselves and their heirs, executors, administrators, successors and assigns to execute any and all instruments in writing which are or may become necessary or proper to carry out the purpose and intent of this Agreement.

9.5 Amendments

This Agreement may be altered at any time by the decision of Partners holding not less than two-thirds (2/3) of the then capital of the Partnership confirmed by an instrument in writing, which instrument the Partners hereby agree to execute. Provided that no authority conferred upon the General Partner(s) shall be reduced or eliminated without their consent.

9.6 Banking

The Partnership shall maintain a bank account or bank accounts in the Partnership's name in a national or state bank in the State of Idaho. Checks and drafts shall be drawn on the Partnership's bank account for Partnership purposes only and shall be signed by the General Partner(s), or their designated agent.

9.7 Titles and Subtitles

Titles of the paragraphs and subparagraphs are placed herein for convenient reference only and shall not to any extent have the effect of modifying, amending or changing the express terms and provisions of this Limited Partnership Agreement.

9.8 Words and Gender or Number

As used herein, unless the context clearly indicates the contrary, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

9.9 Execution in Counterpart

This Partnership Agreement may be executed in any number of counterparts, each of which shall be taken to be an original.

9.10 Severability

In the event any parts of this Agreement are found to be void, the remaining provisions of this Agreement shall nevertheless be binding with the same effect as though the void parts were deleted.

9.11 Effective Date

This Agreement shall be effective only upon execution by all of the proposed Partners.

9.12 Waiver

No waiver of any provisions of this Agreement shall be valid unless in writing and signed by the person or party against whom charged.

9.13 Applicable Law

This Agreement shall be subject to and governed by the laws of the State of Idaho.

9.14 Arbitration

Any controversy or claim arising out of or relating to this Agreement shall only be settled by arbitration in accordance with the rules of the American Arbitration Association, one Arbitrator, and shall be enforceable in any court having competent jurisdiction.

In witness whereof, the parties have hereunto set their hands the
20 day of Dec, 1982

Witnesses:

Mitchell Woolf

Edmund G. Horn

Partners:

Ande Vail
Ande Vail - General Partner

James W. Kranz
James W. Kranz - Limited Partner

Dated: 12/20/82

SCHEDULE A

**Mathedyn Research Certificate of Limited Partnership
and Limited Partnership Agreement--Capital Contributions**

1. Ande Vall, the General Partner:

Contribution is United States Letter Patent No. 4,297,590

Agreed Value: \$22,500.00

2. James Kranz, the Limited Partner:

Contribution is \$15,000 cash